

credits under LB 775. They apparently have qualified for those tax credits because they had made an investment of \$20 million. But at the same time they were making that investment of \$20 million, they were phasing out over 1,000 jobs in the City of Omaha. It seems to me a twist of logic to at one point argue that LB 775 is a jobs creation bill, and then have to acknowledge that a corporation, like Mutual of Omaha, can make the investment, get tax credits under LB 775, and then phase out 1,000 jobs or more in Omaha. It is my understanding that 25 percent of the investment, under LB 775, is by companies who are taking advantage of the provision that allows them to obtain tax credits without the creation of any jobs, and at sometimes with a loss of jobs. It is also my understanding, although I don't have any hard figures to back it up, that the persons who are taking advantage of LB 775, doing the investment provision, getting tax credits, that I think there are seven or eight of them, at least, and my understanding is that almost all of them are phasing out jobs in Nebraska, yet are obtaining tax credits as a result of the investment portion. I don't think that is in the spirit of the arguments that were being used last year in support of LB 775. And I don't think it's a wise policy for our state to follow and to continue to follow. Therefore, in effect, LB 1122 would eliminate any corporation from obtaining tax benefits, under the investment provision, if, in fact, that corporation reduces the average number of jobs that it has in the State of Nebraska during any year of the seven year application...or seven year program. It seems to me that LB 11...this amendment, which was LB 1122, would be a positive step in eliminating the drain on our treasury that LB 775 is creating. It would prohibit corporations from getting tax breaks, if they eliminate jobs, because I don't think we should have a state tax policy that, in fact, by granting tax credits when jobs are eliminated, because, in effect, then we are subsidizing companies who are eliminating jobs in Nebraska. Therefore, I will briefly tell you what the amendment would do. I'm passing out a summary of LB 1122, which is basically the amendment. This amendment would significantly amend the Job Investment and Growth Act, passed last session. It would prohibit companies from claiming tax benefits under LB 775 if their average number of employees, at the end of the entitlement period, is less, in any year...in any of the years before they apply for the incentives. Although companies were required to add new jobs, under LB 775, to claim some of its tax benefits, there was no provision to prevent the reduction in existing jobs. This amendment would address the situation which occurred